

■ Jeremy Margolis, the former U.S. prosecutor retained by SportsChannel to pursue those signal pirates, said he "wouldn't be surprised" if some of the 68 bar owners named in Monday's complaint sought an out-of-court settlement. "If people want to go to trial and pay a greater price," he warned, "that's OK, too. The dollars aren't really the issue. The issue is safeguarding the integrity of SportsChannel's signal and seeing to it that our legitimate paying customers don't have to pay for the theft of others."

What SportsChannel officials found unique about the Chicago case was the high rate of piracy—twice what they find elsewhere, said Margolis. "They usually find a 5 percent theft rate; here, they uncovered a 10 percent rate. They were quite surprised."

■ TCI has decided to carry SportsChannel-Plus at least temporarily while negotiations continue between the cable system and the regional cable network on a permanent home for the spillover channel. . . . ESPN has scheduled its college football telecasts for Nov. 28: Georgia Tech-Georgia, 3 p.m.; Miami-San Diego State (Marshall Faulk), 6:30 p.m. . . . CBS Sports' Andy Kindie has directed a game in Green Bay during a snowstorm as well as the famous "Fog Bowl" NFL playoff game in Soldier Field. Kindie has been reunited with Verne Lundquist, who called that Eagles-Bears contest, for Sunday's Packers-Bears game at Soldier Field. "I'm almost afraid to go to the game," Kindie says.

Stealing cable TV?

Holiday amnesty is here

BALTIMORE SUN - 12/18/92

Comcast, Storer call it last chance

By Sheridan Lyons
Staff Writer

Overwhelmed by thousands of calls from people scared by well-publicized prosecutions of cable TV thieves, the Comcast and Storer cable television companies are offering amnesty from prosecution for the holidays.

The "one last, absolute final" turn-yourself-in-with-no-questions-asked period will begin Monday and extend through Dec. 31, according to David H. Nevins, president of Nevins and Associates, a Comcast spokesman.

Howard B. Merker, deputy state's attorney for Baltimore County, said

yesterday that Comcast did the groundwork for about 75 theft cases that have been already been prosecuted by his office under a new state cable-theft law that took effect Oct. 1.

But Mr. Nevins said the cable company would rather gain customers than rack up convictions. He estimated that 10,000 to 20,000 people could benefit from the amnesty.

Comcast services almost 250,000 customers in Harford and Baltimore counties, and in Howard County through the recently acquired Storer cable company, Mr. Nevins said.

The company pays the counties a 5 percent franchise tax. He claimed that cable TV theft not only costs the company millions, but also represents "a significant loss of revenue to local government."

A yearlong, house-by-house audit is under way and should be complet-

ed by summer, he said. It is expected to net 80 percent of those illegally receiving cable, "so the odds are pretty good that you're going to get caught."

A six-week amnesty program last spring brought in almost 7,000 people, he said, and about 60 percent chose to become paying customers. The rest chose to be disconnected.

Baltimore County's criminal prosecutions all have resulted in convictions or probation before judgment. The latter leaves no criminal record if the defendant has no further problem with the law, Mr. Merker said.

One man received a six-month jail term in District Court for illegally installing cable service but is appealing the conviction to the Circuit Court.

"One of our concerns, as well as the law, is alleged cable theft takes money . . . from Baltimore County,

because they [Comcast] have to pay fees to the county based on the number of customers," Mr. Merker said. "I think they've estimated more than \$500,000 in losses to Baltimore County, based on the number of turn-ins before."

Under the new laws, he said, cable TV thieves can receive up to six months in jail and a \$1,000 fine, with a one-year term and a \$2,500 fine for a second offense. Illegal installers can get up to five years and a \$5,000 fine.

At least three Comcast employees have been caught and prosecuted, he noted.

"A whole lot of people out there . . . didn't take the company seriously until they read about the prosecutions," Mr. Nevins said. "Many are what we call Harry Homeowner types. A lot of people are surprised that people are being prosecuted for

a crime of stealing cable TV.

"So the company has been literally deluged with thousands of phone calls from people who face a dilemma of sorts: There's no amnesty now; they're stealing cable, and they don't want to be prosecuted."

Mr. Nevins said the calls have been handled case by case, usually without charges. But this approach was overwhelming the company, so it decided to offer another amnesty period, he said.

During the amnesty, Mr. Nevins said, all installation fees from those who choose to become paying customers will be donated to charity. The fees range from \$10 to \$50.

Anyone wishing to participate in the amnesty program may call the company at 252-1000 or 580-1604 in Baltimore County, 272-7500 in Harford County and 481-1156 in Howard County.

MARYLAND

TOWSON — Comcast and Sterer Cable Television companies are offering amnesty until Dec. 31 for residents guilty of cable theft. The companies say they lose up to \$9 million a year to theft. A Comcast spokesman says between 10,000 to 20,000 could benefit. ...

BALTIMORE — Johns Hopkins University's School of Arts and Sciences has received a \$50 million challenge grant from local philanthropist Zanvyl Krieger, 86. Krieger says over the next 5 years he'll match whatever funds the school can raise, up to \$50 million.

Cable piracy lawsuit tests state law

BY MIKE CASSIDY
Mercury News Staff Writer

On the surface, the lawsuit was an unremarkable dispute over whether a 40-year-old San Jose man used an electronic decoder to watch HBO pay-per-view movies and special cable programs without paying.

But ultimately, lawyers on both sides argue, the

ry News, some customers have accused cable company investigators of deception and bullying tactics, including carrying handcuffs, invoking the FBI's name and threatening to obtain search warrants if customers won't let them into their homes.

Most of those sued by the cable company first received letters offering to let the matter drop "for a cash payment of \$4,000."

Cable TV thieves flock to amnesty

BALTIMORE SUN DEC 31 1992

*The sniffers
may get you if
you don't confess*

By Sheridan Lyons
Staff Writer

As its final amnesty program comes to an end, Comcast Cablevision is being flooded with calls from people afraid of being prosecuted for stealing cable service and those who are finally deciding to confess and pay, a company spokesman said.

"People are finally realizing the free ride is over, the end of the road has come, all those clichés," said David H. Nevins, a spokesman for Comcast and its recently acquired Stoner cable company that serves

Last May, a similar amnesty program in Baltimore County received 1,000 calls in its last days. Mr. Nev-

ins said he expects even better results this time around.

"We think we'll hit 2,000, 2,500 without much difficulty," he said. "We were at about 500 (callers) for a week. (Monday), we suddenly got about another 600 in one day."

By 4 p.m. Tuesday, there had been 1,400 calls.

Deputy State's Attorney Howard B. Merker said, "We're getting all kinds of calls: People saying, 'Suppose I'm splitting it in my house?' or 'They were here to fix something, and now I'm getting Home Teams Sports and HBO.'"

Paying subscribers have reported nonpaying neighbors, Mr. Nevins said. An elderly man turned in a son he suspected of having ripped their

"And the thing is," he said, "we know who they are, but they don't know who they are."

The company also is planning a rate increase. Beginning Jan. 1, cable subscribers will pay another \$1.16 a month, except for a few customers receiving a limited basic service.

HBO Sues Five Area Bars, Alleging Unauthorized Use of Satellite Signal

BY J.B. PIERPOINT
Daily Record Business Writer

The Home Box Office cable channel is cracking down on local bars which are allegedly pirating its satellite signal to pick up sports events.

The New York-based Time Warner subsidiary yesterday filed suit against five area bars that allegedly picked up its feed of a recent prize fight. The cable company is seeking \$350,000 damages for the alleged copyright infringement.

"Our service is restricted to home viewing," said Dana Pescosolido, name partner in the Baltimore law firm of Fairbanks, Gault and Pescosolido, representing HBO. "Guest hotel rooms are the only exception."

But a manager at one of the bars named in the suit said it had bought rights to air HBO events in its establishment.

"We subscribe through our satellite system. Ours is legal," said Chris Amato, manager of Balls — The All American Sports Bar downtown.

In the suit filed in U.S. District Court for Baltimore, HBO claims several area bars pirated its broadcast of the recent Razor Ruddock vs. Lennox Lewis prize fight, which was aired as a doubleheader in late October with the Moldrick Taylor

vs. Crisanto Espana fight.

"Any commercial establishment airing an HBO event is doing so without authority," said Pescosolido, whose partner Joseph M. Fairbanks filed the suit. Fairbanks was not available for comment.

In addition to the downtown sports bar, HBO, a division of Time Warner Entertainment Co., filed suit against local nightspots The Purple Goose Saloon, Danny's Belair House, Clayton's Bar and Grill, and Pebbles.

Owners and managers of those bars either declined comment or could not be reached late yesterday.

According to HBO, its satellite signal is typically scrambled to keep it from being intercepted. Local cable systems can unscramble the signal, and then retransmit it to HBO customers.

To pirate the signal, a commercial establishment would have to unscramble the signal after picking it off from the satellite feed to local cable networks, the suit alleged.

The signal also could be intercepted from the local cable network's feed. In some cases, that could be as easy as plugging in a converter that had been installed for a residential customer, the suit said.

"Any commercial establishment airing an HBO event is doing so without authority."

HBO ATTORNEY
DANA PESCOSOLIDO

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TECHNOLOGY

HBO to Upgrade Descrambler System

By GARY KIM

In a massive, six-month program, Home Box Office will this spring replace some 25,000 commercial descram-

HBO's Zitter said a compromised system could be salvaged by mailing out new passcards to affiliates.

blers in the cable industry used to receive HBO and Cinemax feeds, said Bob Zitter, HBO senior vice president.

The upgrade, to be done at no charge to affiliates, entails a swap of existing General Instrument Corp. VideoCipher II and VideoCipher Plus descramblers in cable head-

ends and substitution of a descrambler equipped for VideoCipher's "Renewable Security" system.

Once all the units have been replaced, HBO will cease transmitting the VC II addressable control data stream, thereby preventing any pirate attacks on the VC II addressing scheme.

The RS units will feature a plug-in "smart card" that can be used to update and revise the security system in the event that the Plus system is compromised, said Zitter.

All of the logistics haven't been worked out yet, but Zitter said the program would probably start in April and May, and roll out on a feed-by-feed basis.

Zitter said the move, long in the works at HBO, was prompted by concern that the door to piracy would remain open so long as the VC II data stream was available as a target. Though the newer Plus system is not an immediate problem, "piracy at-



ZITTER

tempts will continue," said Zitter, "and Plus may be broken, some day."

As a result, HBO is convinced its entire network has to be based on renewable security, so that if a breach occurs, the entire affiliate base can be upgraded by the simple expedient of mailing out new passcards and having operators insert them into the RS units, said Zitter.

HBO already has moved to a policy of RS-type security for all satellite feeds outside the United States and has delayed a full transition domestically only because the installed base of decoders is so large. Zitter expects other networks to take similar steps as well.

"The way we're doing it, the swap won't cost anything other than the shipping cost of sending the old decoder back to VideoCipher," said Zitter.

As a plus, the new units will offer better picture quality and will feature the ability to replace batteries, for example, without any risk of losing the addressable data stream long enough so that the addressing keys are lost, causing the decoder to turn itself off, said Zitter.

The RS swap confirms HBO's intent to keep its primary HBO and Cinemax East Coast and West Coast feeds in analog format "for a long time," said Zitter. ■

Scientific-Atlanta Taps McIntyre for Fellows Post

ATLANTA — Scientific-Atlanta Inc. wasted no time in naming Robert McIntyre, former president of the Headend Systems Division, to the post of Transmission Systems Division president.

McIntyre replaces David Fellows, former president of the division, who left last month to take a post with Continental Cablevision as engineering and technology senior vice president (see story, page 29).

McIntyre reports to Jay Levergood, Broadband Communications Group president, and is the counterpart to Gary Trimm, Subscriber Systems president, who oversees the descrambler, addressable interdiction and digital audio product lines.

McIntyre had been quarterbacking the development of S-A's satellite digital video transmission system, and will, in his new post, oversee the compression, B MAC, headend and distribution equipment product families.

McIntyre also will finish up acquisition of the Nexus Engineering Corp. headend product line, which gives S-A a low-end product line and expanded international distribution channels.

Like the departing Fellows, McIntyre has deep experience in the telecommunications industry. He joined S-A in 1991 and previously had been vice president and general manager of Augat Inc.'s Interconnection Products Division, which produces computer components.

Before that, McIntyre had been president and CEO of Licom Inc., which manufactures optical fiber transmission systems for public and private network operators.

McIntyre also had been president and CEO of Siemens Transmission Systems, a joint venture between Siemens and GTE. ■

CUTTING



Take "infrastructure," for example.

By now, we all are familiar with the notion that the division of

Few would oppose such goals, at least in principle. The semantics come into play because it will be argued that too much competition in the water and land communications

grounds, assuming one physical network, using fast-packet switching, is all that anybody will ever need. Neither is the argument value-free, how-

S's Amy Fisher Telefilm



for shooting the wife of Joey Buttafuoco, the man Amy claims was her lover — an assertion he denies.

"We've always been interested in getting product in the pipeline as early as possible," said Hoffman. "This is an extension of that. We saw it [also] as a

Firefighters Take Heat for Illegal Cable

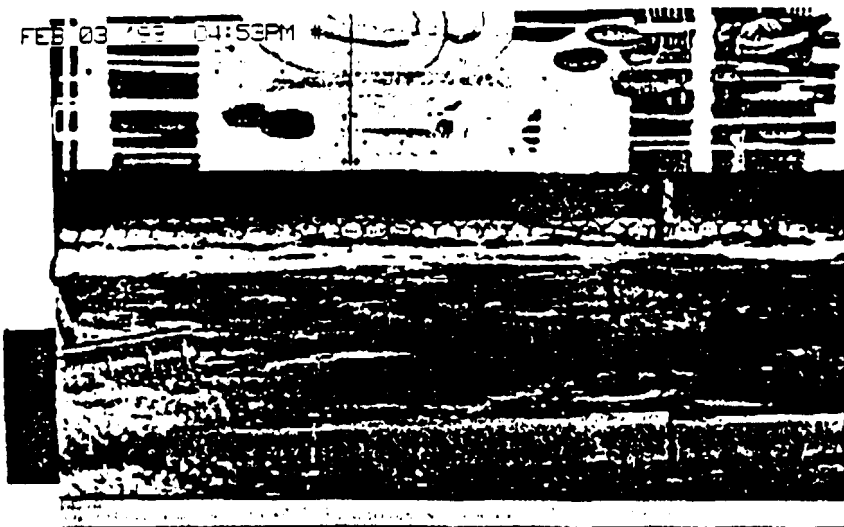
By ROD GRANGER

Adelphia Cable in New York's Erie County recently sounded the alarm on a volunteer fire company that was stealing cable television service.

The firefighters' punishment?

No more "black box" and a public apology in *The Buffalo News*.

The Pine Hill Hose Company No. 5 in Cheek-



and clarifications of p. 11 post for waivers.

He has also asked for establish-

Please see Clinton, Page A4

State may save

■ Connecticut's plan to prevent the elderly from hiding assets before entering nursing homes could benefit from Monday's presidential order.

No modesty here

■ How good a job has Gov. Weicker done? Just ask Gov. Weicker.
Page A5

promises on return of deportees

Although the compromise falls short of compliance with a U.N. Security Council demand that all of the deportees be repatriated at once, U.S. Secretary of State Warren Christopher hailed the agreement as a breakthrough that renders additional Security Council action unnecessary and should clear the way for resumption of Middle East peace talks.

Talking at his first formal press conference, after a working lunch with U.N. Secretary-General Bou-

tros Boutros-Ghali, Christopher said that the Israeli steps were hammered out in telephone negotiations between Jerusalem and the Clinton administration.

He said he did not know if the formula would be acceptable to other U.N. members, but he made it clear that, from the U.S. point of view, the action was enough.

Rabin, who announced the plan at a press conference in his office after a special Monday Cabinet meeting, said it was part of a package deal, in

which the U.S. government promised, in return for Israel's partial reversal, to veto any sanctions the Security Council might consider.

Christopher declined to go that far, describing talk of vetoes as hypothetical.

But he left little doubt that the United States feels free to head off any condemnation of Israel now that the Jerusalem government has gone part way in meeting earlier U.N.

Please see Israeli, Page A4

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Gotcha!

Cable offer carries a sting

By STEPHEN OHLEMACHER
Courant Staff Writer

ENFIELD — Scores of boxing fans who responded to a T-shirt offer during the broadcast of a heavy-weight title fight in November could find it to be an expensive purchase.

Continental Cablevision, which broadcast a T-shirt offer only to viewers who were obtaining the pay-per-view signal illegally, wants \$2,000 each from the 140 north central Connecticut customers who responded.

If the viewers, who will receive letters from the cable company this week, don't pay, the cable company will take them to federal court, said Geoffrey Little, Continental's vice president and manager of the company's Western New England district.

"We were really surprised by the number of people who responded," Little said. "But we know that these were just the ones who were watching the fight and decided to buy a T-

Please see Cable, Page A4

HARTFORD COURANT P.1

2-2-93

FEB 03 1993 04:54PM

OF STATE OF CONNECTICUT... used."

Nevertheless, Christopher treated the announcement as a major victory for Clinton foreign policy.

The secretary of state had warned Rabin during the weekend that failure to resolve the dispute over the deportees would put severe strains on the U.S.-Israeli relationship.

Rabin met for more than two

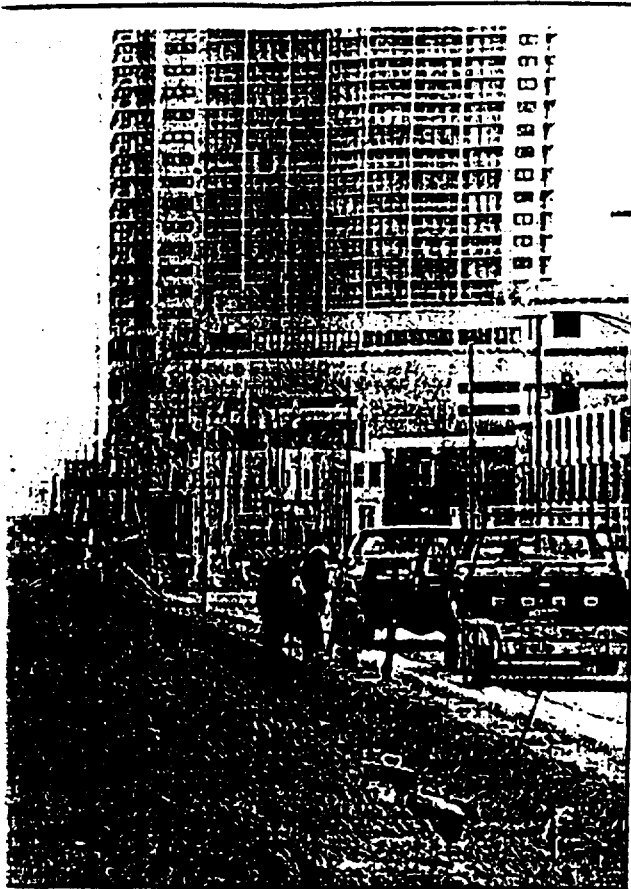
Arab governments, the radical Islamic organization they are alleged to be members of, Hamas, is a rival to the PLO for support among West Bank and Gaza Strip Palestinians.

Unlike the PLO, which now reluctantly accepts the existence of Israel, Hamas and the other militant groups want to destroy Israel and set up a pan-Arab Islamic state.

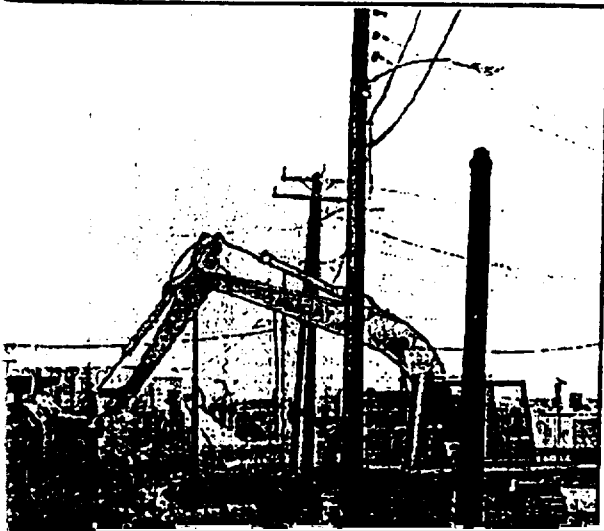
between Israel's security... in southern Lebanon and the front lines of the Lebanese army when Lebanon's government surprised the Israelis by refusing to take them in.

They have been living in tents for almost seven weeks since then. Sixteen have been returned already after Israeli authorities said they had been deported by mistake.

AY



Staff photos by Gregg Kohl



Suit targets A.C. club for cable piracy

■ Sammons Communication also files a \$1 million suit against a Brigantine couple for wiring apartment buildings with illegal cable hookups.

By LYNDA KENNY
For The Press

Sammons Communications of New Jersey has filed a quarter-million-dollar lawsuit against the owner of an Atlantic City nightclub for illegal use of cable television service.

Phillip S. Deming, a security consultant hired by Sammons, says that Vernon Lawrence, owner of the Blue Light Nightclub and Restaurant on New York Avenue, ordered home viewing of the Nov. 13, 1992 Holyfield-Bowe world heavyweight championship fight.

However, Deming alleges, instead of watching it from home, Lawrence took his converter box — programmed to receive the fight — to the Blue Light.

Two undercover investigators hired by Sammons were at the nightclub that night and witnessed approximately 70 people pay \$5 each to watch the event.

Had the Blue Light ordered the service legally, it would have been charged between \$500 and \$800. The charge for home viewing was \$39.95 per household.

After Deming served a copy of Sammons' complaint to Lawrence at his Mediterranean Avenue apartment Friday morning, the defendant refused to comment to The Press.

He did admit he had been contacted by an attorney representing Sammons following the inci-

without a lawsuit.

Sharon Dougherty told Lawrence he could avoid further action by paying the commercial rate and surrendering the converter equipment.

Lawrence refused. Therefore, a federal civil lawsuit was filed in U.S. District Court in Camden on Jan. 20.

According to Sammons' complaint, the cable company is entitled to damages of \$60,000 in this case, but is requesting the additional amount in punitive damages "given the willful, intentional and outrageous nature of the defendant's conduct."

Also on Friday, Deming served papers for a second civil lawsuit, this one against Peter H. and Dinah Greenwood, tenants at the Brigantine Beach Club condominiums in Brigantine, seeking \$1 million for the "illegal manufacture and distribution of equipment."

The Greenwoods, said Deming, have caused considerable loss of revenue to Sammons through their illegal business operations, which include selling converter boxes, altering converter boxes to permit the transmission of additional signals, and wiring households in some cases, entire apartment buildings — with illegal cable service.

Peter Greenwood, a former subcontractor for Sammons, "manipulated inventory in the course of his installation work" and acquired illegal scrambling devices from out-of-state sources, said Deming.

Greenwood has persisted in his activity despite being arrested last fall by the FBI, said Deming.

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PIRATES FROM B1

Cablevision officials estimate that as many as 24,000 homes are receiving service but not paying for it.

In some cases, company officials said, they failed to turn off the signal when residences changed hands. But often, the service is being stolen.

Cable piracy comes in many forms. Some pirates tap into, or pay someone else to tap into, system junction boxes to activate service to their homes. Others illegally enhance their cable service by using unauthorized decoders to unscramble the signals to premium channels such as HBO and Showtime, which usually cost extra. Still others illegally expand their systems by running lines to additional television sets.

At one Howard County apartment building, cable officials even found several renters who had connected their television sets by running a line from unit to unit. "They all decided to split the cost of one outlet," Nevins said.

Nationally, piracy costs cable operators an estimated \$4.7 billion a year, according to the National Cable Television Association. That lost revenue not only makes it difficult for cable operators to hold down rates for law-abiding customers, but it also robs local governments of tax revenue.

Howard County, for example, levies a 5 percent sales tax on cable bills. "We estimate they are losing as much as \$100,000 a year," Nevins said.

Nevins said pirates who tap into cable lines often use inferior equipment that can reduce picture quality for others and interfere with unrelated transmissions.

The company plans to follow the current amnesty period with a more aggressive effort to find and prosecute any remaining cable pirates. Under Maryland law, unauthorized use of a cable television signal is a misdemeanor punishable by up to six months in jail or a fine of \$1,000.

Union-News

Tuesday, February 2, 1993

Cable TV pirates bite sting bait

By RAY KELLY

SPRINGFIELD — Continental Cablevision delivered a knockout punch to 140 suspected cable TV pirates who responded to a free T-shirt offer, not knowing the promotion was only shown to those who hadn't paid \$94.95 to watch a pay-per-view fight.

The boxing fans get to keep the T-shirts, but the price may be high.

As part of a sting operation, engineers transmitted the T-shirt give-away in such a manner that it could only be seen by users of illegal or tampered-with converter boxes, John Lamirande, security manager for the cable TV company, said yesterday.

Free T-shirt offer bait catches Cable TV pirates

Continued from Page 1

Lamirande said. "Some of these people are smart — others aren't."

Continental recently sent T-shirts to the 140 respondents by signed receipt, certified mail.

"We didn't want to be guilty of false advertising," Lamirande said.

Notices that Continental wanted to question those viewers about cable TV piracy were mailed out

or pay up to \$2,000 in damages, he said.

Larger settlements will be sought from those making or selling illegal converter boxes that can descramble premium and pay-per-view broadcasts, Lamirande said.

Under federal law, cable TV pirates can be fined up to \$10,000.

Since Continental began its crackdown on cable TV piracy last year, more than 700 cases

Cable company sting nabs 140 freeloaders

Only the bad guys saw free T-shirt offer

Reuters

HARTFORD — There ain't no such thing as a free T-shirt.

That's what 140 people who watched a boxing match on illegal cable television decoders are finding out. The "free" T-shirts actually cost \$2,000 — settlement for violating federal law by stealing cable television.

In a sting now being made public, high-tech crimefighters in Connecticut set an electronic trap last November for people who use illegal devices to tap into cable television circuits without paying.

A special offer of a free T-shirt was beamed out by Continental Cablevision during the Nov. 14, 1992, fight between Evander Holyfield and Riddick Bowe.

People using illegal decoders — available only on the high-tech black market — were the only ones who could see the advertisement, which displayed an 800 telephone number and said the offer would be limited to the first 100 callers.

"It worked like a charm," Geoffrey Little, Continental's vice president, said yesterday.

Continental, which has 140,000 paying customers in Connecticut and Massachusetts — plus a few thousand freeloaders — received 140 calls within minutes of the ad.

"The 800 telephone system auto-

matically recorded their phone numbers and then the callers gave us their names and addresses where to ship the shirts," Little said.

To make matters worse for the duped thieves, Continental sent the T-shirts by certified mail, requiring the recipients to sign a receipt.

"Now they are getting another certified delivery — a letter informing them we know they are using illegal equipment, letting them know that is a federal crime, and demanding \$2,000," Little said.

Little said Continental is already hearing all kinds of excuses.

"Some people said they were not even home when the ad was broadcast, so we ask them for the name and address of the friend or bar where they watched the show," Little said.

If they refuse, Continental prepares a lawsuit.

"Once people talk to an attorney, they send us a check," Little said.

There was one problem for the company, however, in running the sting, Little said.

"We had to come up with 140 T-shirts, which cost \$18 apiece," he said. "In fact, we had to reorder." ■

Cable co. KOs illegal viewers

ENFIELD, Conn. — Some boxing fans who took up a cable company's T-shirt offer were KO'd in a sting operation that cost the illegal viewers a whopping \$2,000 fine.

Continental Cablevision, which telecast an \$18 T-shirt offer only to viewers who were illegally getting a pay-per-view heavyweight fight in November, are notifying more than 140 customers who responded that they have to pay \$2,000.

Continental is asking the alleged offenders to pay that amount because the company believes the offenders have obtained many signals using illegal decoder boxes.

"We were really surprised by the number of people who responded," said Geoffrey Little, Continental's vice president.

Continental used its technology to air the advertisement only on television sets equipped with illegal decoders that allowed viewers to watch the Evander Holyfield-Riddick Bowe fight for free. Viewers who paid \$34.95 to watch the fight did not see the ad.

—AP

Cable TV Thieves Lose \$2,000, Not Their Shirts

• 1993, Reuters News Service

HARTFORD, Conn. — There's no such thing as a free T-shirt.

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Rochester Register Star

11-7-92

Agents raid firm linked to cable scam

A Beloit firm suspected of making and distributing devices used to commit cable television piracy has been raided by federal agents, a Motion Picture Association of America Inc. spokesman says.

Thomas Schell, director of personnel for the organization,

said Thursday that a search warrant was issued Wednesday for the Beloit firm and later for firms in Itasca, Ill., and Elgin. He said investigators believed all three firms were working together.

Schell said FBI agents accompanied by MPAA investigators seized 4,565 converter/uncramblers and 11,350 units known as "pancakes" that can be attached to regular converter boxes to allow the converters to illegally receive premium and pay-for-view channels.

"This is one of the most significant anti-piracy actions taken against the distributors of illegal devices used to defraud the television cable industry," said Jack Valenti, president and chief executive officer of the MPAA.

HARTF

Cable TV sets it hooks for pirates

By STEPHEN OBLADACHEN
Capecod Staff Writer

Cable TV pirates beware. The technicians inside that cable TV van parked at the corner may be doing more than looking for the address of a customer.

They may be monitoring cable signals in the area that can tell them if people have tapped into their neighbors' lines or connected additional televisions without telling the cable company.

They could also be using an electronic device to see if a cable customer who has only basic service is using an illegal descrambler to watch premium and pay-per-view channels for free.

"It isn't quite like Big Brother, yet," said Tom Steel, vice president and general counsel of the New England Cable Television Association. "But we can tell when you tamper with our equipment."

Cable companies across the nation are employing increasingly sophisticated methods to catch people who hijack their signals, including offering rewards to people who turn in their neighbors.

With little police help, they are fighting a problem that results in what cable industry officials say is \$3 billion in lost revenue each year.

To collect some of that, cable companies say they are increasingly taking cable pirates to court, seeking civil damages under a federal law.

Illegal viewers in north central Connecticut were the target of a cable sting in November when Connecticut Cablevision's system in Eddfield broadcast a T-shirt offer during a pay-per-view heavyweight boxing match.

Using high-tech weaponry, the ca-

ble company. The advertising agencies equip descramblers to watch the fight.

The company program to see not be placed legitimate comment — then other comments talking to fight. By stung by pirate able to detect be picked up a

The T-shirt 13 during the Riddick Bore from 140 people company invading \$2.0 don't pay or about where the company against them Geoffrey Lit president and party's West tried.

But legal a company not make a case spouses to a f

jump a certain way, we know we have a winner. There is no device that will give you a readout that says where all the descramblers are. But we can check individual lines."

Technicians in the field also look for obvious signs of theft, Hooper said. If several customers in an area all complain that some of their stations are fuzzy, it usually means that the signal is weak because of a leak in the cable system.

Leaks can often be caused by faulty equipment, which must be repaired because they can interfere with aviation and emergency communications, Hooper said. But sometimes the leaks are caused by sloppy homemade connections.

In Queens, N.Y., the cable company used sophisticated computer software to nab pirates in what one official called an "electronic countermeasure."

American Cablevision of Queens sent a computerized signal throughout its system in April 1991 that disabled cable boxes that had been tampered with. The signal, which did not harm legitimate customers' ca-

ble was out, they found the tampered boxes and the company filed federal lawsuits.

Of the 317 people sued, all but three have settled with the cable company for damages ranging from \$500 to \$2,250, said Daniel J. Lefkowitz, a Long Island attorney for Time Warner Cable of New York City, which runs the Queens system.

The other three cases are awaiting trial, Lefkowitz said.

"Some of these people had three boxes in their house," Lefkowitz said. "We thought that was greedy."

But most people don't steal cable because they are greedy, industry officials said. They steal it because it's there, in their house, and they don't really feel like they are stealing anything.

"They're already used to getting the broadcast signal for free, so cable is just an extension of that," said Steel of the New England Cable Television Association. "People's perception is, who are they hurting?"

The back pages of some electronics magazines are filled with adver-

pay-per-view ones — while only paying \$20 or so a month for basic service.

Officials at three of the companies selling the descramblers refused to comment, and officials at five others did not return telephone calls. Despite disclaimers in some of the advertisements telling customers that they must comply with state and federal laws, the ads clearly promote using the devices to obtain free cable service.

"Is your cable company alienating you?" asks one advertisement that features a picture of a Martian holding a TV remote control. "Say NO to unearthly rental fees."

But some cable companies, in their fight to catch the pirates, have been able to play on another human feeling: the feeling that it isn't fair for some people to get free service while others have to pay.

West Hartford-based TCI Cablevision started a program in late January offering residents \$500 for information about people who sell

• "We've got a number of leads that we're working on," Arsenault said. "We get a lot of people who have cable and think it's not fair that the guy down the street is not paying for it."

Selling descramblers and converters can result in federal fines of as much as \$25,000, and stealing service can result in fines as high as \$10,000.

But cable companies must catch the thieves themselves, and file civil lawsuits against them in federal court.

"It's the cable company's responsibility to make sure that people are paying for their services," said Ronald Parver, chief of the cable TV branch of the Federal Communications Commission, which regulates the cable industry. "They have to do the police work."

It is against federal law to sell devices used to steal cable services and it is against federal law to use them. But in Connecticut and 17 other states, it is not illegal to own them.

Bar-Hopping/Pirate Hunting With HBO

By ROD GRANGER
NEW YORK — Feb. 6 was a bitterly freezing night — the coldest of the year — a night when a guy wants to be home guzzling a beer and putting his feet up watching some palookas beat their brains out.

But Home Box Office had other plans: It wanted to catch pirates ... cable pirates. You know the kind, tavern owners who steal HBO's signal so their customers don't have to cough up the dough to watch some heavyweights. Riddick Bowe and Michael Dokes, in their homes.

More than 100 investigators would visit bars in 24 markets around the country on this particular sweep. They're part of a series of investigations designed to crack down on signal-stealing businesses.

Their leader is Dennis Powers, chief of signal security for the pay cable service. On this night, Powers and Edward Salek Jr., ex-cops both, sought out the alleged law-breakers. Salek is one of the many independent contractors HBO uses to nab pirates.

Their destination: the Riverdale/Kingsbridge section of the Bronx.

"I hope you don't mind Vivaldi; I use it to soothe my nerves," Salek said as the search began.

LOOKING FOR MR. GOODBAR

According to Powers, any and all commercial establishments are viable targets for an HBO signal-theft lawsuit.

"Our license agreements with our product suppliers, in this case the fight promoter, grant us distribution rights for private residential viewing only," he said. The majority of violators are bars that have misappropriated the signal by use of a satellite dish.

Once Powers or his team determine that HBO is being aired illegally, the network can bring two causes of action: a communications policy violation or a copyright infringement.

Each provides for statutory damages of up to \$100,000, plus court fees, although most cases are settled for several thousand dollars.

Theft of service costs the industry \$4.7 million a year, said Powers, and "I would say HBO has collected certainly close to \$1 million in fines."

BLAME TYSON

The sports bars of America have Mike Tyson to thank for HBO's increased interest in cracking down on signal theft. "Tyson gave a high visibility to [boxing], and we decided to take a look at it on a nationwide basis," he said.

Prior to 1990, the network responded on a case-by-case basis to complaints from cable opera-



TOP COP: Dennis Powers, HBO's chief of signal security, at the premium network's command center. Powers' obligation to protect and serve extends to the local operators as well as HBO.

tors, which continue to proliferate. "We have an obligation to the cable operator to protect his rights as well as the rights of paying subscribers," Powers said.

To scare violators, HBO used to send demand letters, but those failed to pack enough punch, said Powers. Now, the network serves establishments with a summons and complaint, which "gets their attention and better cooperation."

In its first signal sweep, during the Tyson-Henry Tillman fight in June 1990, HBO found a 38 percent violation rate nationwide. But that decreased to 20 percent during the second sweep for the George Foreman-Jimmy Ellis match in December 1991. "So the enforcement has shown effectiveness out there," Powers said.

TKO'd

Once in Riverdale, Powers and Salek's hunt ended abruptly: two minutes and 18 seconds into the first round, Bowe defeated Dokes by a TKO.

Despite this, Powers and his national team scored reasonably well. Nationwide, 60 out of 500 establishments visited were illegally transmitting HBO (including two in Riverdale), a 12 percent violation rate.

"This was the third-largest sweep we've done, and given the limited timeframe, it's not a bad return," Powers said.

Some bars even advertise in local papers that HBO will be available on a given night, making it easy for a cable operator to alert the network.

Why publicly advertise intent to commit a crime? "That's human nature," said Powers, who

joined HBO in 1987, a year after the network scrambled its signal to the TVRO market.

Cable operators are more interested in signal theft today due to the changing economics of the industry, said Salek, whose Eastern Investigational Services Inc. handles HBO's New York metropolitan area work.

"For the most part, they've saturated their markets. Before, they were making money from new subscribers. Now they can't, because there is no outlet for new revenue," he said.

HBO is revamping its theft-of-service program, bringing it more up to date, said John Redpath, HBO's senior vice president and

general counsel and Powers' boss.

"One thing we've learned is you have to keep after this on a regular basis; sporadic attempts to police the problem don't work," Redpath said.

That they don't always get their man — or bar — will not deter Powers, Salek and the signal-theft team from pursuing their appointed rounds.

For them, another fight means another borough.

"Cable theft is like gambling and prostitution; it's always going to be with us," said Powers. "It's a matter of how do you manage it to an acceptable level."

FBI Nabs Two In Box Raids

By LINDA HAUGSTED

Federal Bureau of Investigation agents last Monday conducted a series of raids on suspected cable "box doctors" in the South and Midwest, although a cable official termed the busy day a coincidence.

Jim Allen, director of the National Cable Television Association's Office of Cable Signal Theft, predicted an increase in cable theft prosecutions this year because Section 553 of the 1992 Cable Act now classifies the sale of cable descramblers for profit as a felony. That should make law enforcement agencies more interested in prosecutions, he said.

In one of the two Feb. 8 raids, agents seized about 10,000 descramblers from two locations of M.D. Electronics in Omaha, Neb. M.D. Electronics is an alleged national distribution outlet for unauthorized descramblers and advertises in national electronics magazines, according to the NCTA. Federal agents also seized business records and bank accounts for an affiliated business, G & A Distributing Inc.

The day's other raid, in Atlanta, netted 100 illegal cable descramblers in addition to business records, satellite receivers and converter test equipment. Agents raided the home of Philip Goodwin, who was doing business as Universal Products. Goodwin allegedly sold descramblers nationally, soliciting business through magazine classified ads, the NCTA reported.

The NCTA said an anonymous caller tipped cable operators to Goodwin's business, and the FBI investigated with the help of local operators and equipment vendors.

In other recent piracy action, a federal grand jury in Indiana returned a 15-count indictment against William Norris of Plymouth, Norris allegedly sold through his business, Norris Electronics and National Cable Brokers, devices that consumers could use to modify their own converters.

"I can't really explain it, but since adding VISN/ACTS - the Faith and Values Channel - to our system, service outages have dropped by more than half."

-Anonymous Cable Operator

Ex-workers arrested in CATV thefts

By AnnMarie Cardaropoli
Journal Inquirer Staff Writer

8.7.92

ENFIELD — Two former employees of Continental Cablevision were arrested this week on charges that they stole cable boxes from the company, as well as services that were not being paid for, police said.

William H. Mothes, 26, of 12 Guild St., was charged with second-degree larceny, sixth-degree larceny by possession, and third-degree criminal mischief following his arrest on a warrant Thursday, police said.

A second employee, Christopher Orr, 25, of 32 New King Street, was arrested by warrant Wednesday charging him with third-degree larceny by possession, police said.

Mothes was released on a \$3,000 bond while Orr was released on a \$1,000 bond. Both are scheduled to appear in Superior Court on August 18, police said.

The arrests followed an extensive investigation that began a year ago by local authorities and private investigators hired by Continental, a detective who asked not to be identified said today.

Orr, the detective said, turned in to police approximately 14 cable boxes, worth over \$1,300, that he stole from the company over a two-year period from 1989 to 1991.

Although Mothes was paying for basic service on the two boxes in his home, he was receiving "every channel under the sun," the detective said. The boxes were found after authorities executed a search warrant, he said.

Orr and Mothes were employed as field service technicians who were responsible for installations and repairs, police said.

Also confiscated in Mothes' home was a diagram showing how to rig the boxes to obtain the extra channels and four extra remote units, the detective said.

The second-degree larceny charge lodged against Mothes pertains to the amount of service he stole from the company, while the criminal mischief charge stems from tampering with the equipment, the detective explained.

Although Mothes had paid for two boxes, one of the boxes in his home did not belong to him, he said.

No further arrests are expected in the case, the detective said, adding, "But you never leave the door com-

pletely closed."

Police said it was uncertain whether Orr and Mothes voluntarily left the company or were fired.

Continental's General Manager Jonathan Anderson today declined comment, citing company policy.

He said the investigation is closed with respect to its employees, but noted that the company will continue to investigate the use of altered or unauthorized equipment by residents.

"We certainly take them all seriously and investigate all of them," Anderson added.

In most cases, Anderson said, the company first attempts to settle the matters out of court saying that it would cost an individual about \$1,200 for using an altered converter compared to \$2,000 if the case goes to court.

In addition, Anderson said, the company reserves the right to refuse future cable service.

Two ex-cable TV workers arrested on theft charges

By TOM PULEO
Courant Staff Writer

ENFIELD — Two former employees of Continental Cablevision of Connecticut have been charged in connection with the theft of cable boxes and service, police said Thursday.

Further thefts by employees are being investigated by Continental, which has hired private investigators, General Manager Jonathan Anderson said.

Police on Wednesday charged Christopher Orr, 25, of 32 New King St., with third-degree larceny by possession. He was released on \$1,000 bond for an Aug. 18 appearance in Enfield Superior Court.

Police said Orr stole 10 cable boxes from Continental when he worked there between 1989 and 1991.

Police on Thursday charged a second former employee, William H. Mothes, 26, of 12 Guild St., with second-degree larceny, larceny by

The arrests followed a yearlong investigation into allegations of stealing at Continental, police Lt. Bernard Duffy said.

Orr and Mothes were employed as field service technicians who handled installations and repairs, Anderson said Thursday.

The arrests followed a yearlong investigation into allegations of stealing at Continental, police Lt. Bernard Duffy said. But Duffy, who heads the detective bureau, said no further arrests are expected.

Anderson would neither confirm nor deny that other employees have been fired for cable theft at the Niblick Road company.

Anderson said he could not divulge

Cable thief charged

A Houston man was charged Tuesday with stealing services from Warner Cable.

Donald Carl Haughney, 58, was charged with five counts of theft of cable service after a sealed grand jury indictment was handed down Monday, Harris County Assistant District Attorney Jean Spradling Hughes said Thursday. He has been released on \$5,000 bond.

Haughney is accused of altering cable converter boxes so customers could receive premium channels, such as HBO and Showtime, without paying for them, said Hughes. He is also accused of selling illegal descrambling devices.

Warner Cable spokeswoman Pam

Thorne said the company launched its investigation into Haughney's activities after receiving tips from customers in November.

Thorne said starting next week, Warner Cable will offer a 30-day amnesty period for customers who have illegal cable connections. People can come forward without fear of prosecution or back payment.

Warner Cable estimates that 1,000 illegal descrambling devices were sold in the Houston area while Haughney was in business.

Hughes said Haughney was charging people between \$200 and \$700 for

his illegal services. She said although Haughney didn't work alone in his operation — he had people out soliciting business — he was the technician who did the work.

Town News

The Hartford Courant

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MONDAY
MARCH 8, 1993

Cable TV sting netting paybacks, company says

By STEPHEN OHLEMACHER
Courant Staff Writer

ENFIELD — Continental Cablevision's elaborate sting that caught 140 people illegally watching a pay-per-view boxing match in November appears to be paying off company

cable company's security manager.

Under the amnesty program, which does not apply to people already caught by the cable company, people stealing cable signals can turn themselves in to Continental without penalty, Lamirande said Friday.

"At 8:30 Monday morning when the people came to open the offices in Enfield, there was already someone standing there ready to turn in a box," Lamirande said.

Cable companies often use well-publicized convictions before starting an amnesty program as a way to

"Some companies like to have at least one well-publicized conviction before launching amnesty. This is an incentive for others to participate in the program."

But Lamirande said Continental did not plan to offer the amnesty program, which runs to April 16.

illegally watching a pay-per-view boxing match in November when it transmitted a free T-shirt offer that was shown only on televisions equipped with illegal descramblers that enabled viewers to watch the fight for free.

After 140 people responded to the

they watched the fight or by paying \$1,200 to \$2,000, Lamirande said.

The company plans to file lawsuits next month against about 40 people who have refused to cooperate, Lamirande said. An additional 30 or so people are "on hold status."

"They said they need time to think